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ABSTRACT

Chester Barnard (1886-1961) was an executive and an early organizational theorist. His theory of organizational behavior and executive functions, set forth primarily in "The Functions of the Executive" (1938), comprises both structural concepts, related to how an organization is structured, and dynamic concepts, related to individuals' interactions with their organizations. Among the structural concepts is that of cooperative systems, defined as two or more persons cooperating for a definite end. One kind of cooperative system is the formal organization, which is based on three important elements: members' willingness to cooperate, common purposes, and communication. Barnard emphasizes incentives as means of gaining individuals' willingness to cooperate. Informal organizations are another cooperative system, intimately connected to formal organizations. The executive's role in a formal organization involves gaining cooperation, defining purposes, and providing a system of communication. Significant aspects of executives' functions include leadership, decision-making, authority, and responsibility. Many of Barnard's concepts are applicable to educational administration, including formal and informal organizations, incentives, open communications, organizational authority, and executive responsibility. (Author/RW)

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An Examination of Cooperative Organizational Behavior and the Functions of Executives in Formal Organizations: The Theory of Chester Irving Barnard and Its Implications for Educational Administration

A Research Paper
Submitted to Dr. E. H. Bedenbaugh, Jr.
of the graduate faculty of the
University of Southern Mississippi
in partial fulfillment of the requirements for course
EDA 800

by
Gary S. Mathews

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An Outline

in lieu of an Abstract

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An Examination of Cooperative Organizational Behavior and the Functions of Executives in Formal Organizations: The Theory of Chester Irving Barnard and Its Implications for Educational Administration

Chester Irving Barnard was born on November 7, 1886, in Malden, Massachusetts. A business executive, public administrator, and sociological theorist, he specialized in the nature of corporate organization. Although Barnard was not himself an academician, his first book, The Functions of the Executive (1938; reissued 1960), has been widely influential in the teaching of sociology and business theory. Today graduate students at the University of Southern Mississippi are concerned with this man's theory of organization and its implications for the science of educational administration.

An employee of the American Telephone and Telegraph Company from 1909, Barnard became president of an AT & T subsidiary, the New Jersey Bell Telephone Company, in 1927. During the depression of the 1930s, he was director of the New Jersey state relief system. He later worked with the United Service Organizations (USO), of which he was president from 1942 to 1945. After the Second World War, he helped to write the U.S. State Department's report on the international control of atomic energy

in 1946. Retired from business, Barnard served as president of the prestigious Rockefeller Foundation (1948-1952) and chairman of the National Science Foundation (1952-1954). He died on June 7, 1961, in New York City. (For a concise biographic sketch of Chester I. Barnard, see the Encyclopaedia Britannica, Micropaedia, vol. 1, 1979, p. 823.)

Campbell, Bridges, and Nystrand (1977) point out that Barnard's importance is due in part to what appears to be the first attempt to relate administration to the behavioral sciences. Prior to Barnard's 1938 classic work, there were roughly speaking, two other major attempts at explaining the dynamics of administrative behavior. Campbell and others divide these attempts into the following time periods: (1) 1910-1930; job analysis (see Fayol, 1949; Taylor, 1947), and (2) 1930-1950; human relations (see Follett, 1924). Since 1950, the thinking of Barnard and others such as Simon (1945) has dominated the study of organizations.

In 1937, Barnard prepared eight lectures for the Lowell Institute in Boston at the invitation of Dr. A. Lawrence Lowell. These lectures, revised and expanded, became his well-known The Functions of the Executive. Barnard himself suggests that The Functions has two parts: " . . . an exposition of a theory of co-operation and organization" and "a study of the functions . . . of executives in formal organizations"; hence, the related title of this paper.

Concepts Critical to Barnardian Theory

In his The Functions of the Executive, Barnard emphasizes the "universal character" of formal organizations and stresses the need for a theory to explain their behavior. According to the author, the development of an appropriate theory has been retarded due to a misconception about the nature of authority and because of the unwaranted emphasis given to the economic motivation of man. With respect to authority, Barnard maintains that authority does not go from top to bottom, but rather it rests with the individual at the bottom. (The church has been known to interpret authority to mean the reverse--that is, from top to bottom and not from bottom to top as suggested by Barnard.) With respect to economics, he maintains that man is much more than a mere economic being. (Marxists, in particular, have emphasized man as an economic animal.) He (man) does not exist only as a consumer of material things, but rather interacts with numerous psychological and sociological forces in his environment.

Essential to Barnard's thinking are two categories of concepts: (1) structural and (2) dynamic. Structural concepts are related to the organization and how it is structured whereas dynamic concepts relate to the individual and his interaction in the organizations to which he belongs.

Structural Concepts

Barnard's 1948 work (pp. 132-133) defines the five components comprising structural concepts. They are defined as follows:

1. The Individual -- A discrete, separate, physical thing that does not function except in conjunction with other individuals.

2. The Cooperative System -- A complex of physical, biological, personal, and social elements which are in a systematic relationship by reason of the cooperation of two or more persons for at least one definite end.

3. The Formal Organization -- A system of consciously coordinated activities or forces of two or more persons.

4. The Complex Formal Organization -- Large organizations which are built up from smaller units of organizations.

5. The Informal Organization -- The aggregate of the personal contacts and interactions and the associated groupings of people as they occur and continue or are repeated without any specific conscious joint purpose. (A rather structureless body which exists and helps establish attitudes, understandings, customs, and the conditions for formal organizations.)

Dynamic Concepts

The seven components comprising dynamic concepts are defined as follows:

1. Free Will -- The ability of men to freely work together so that they can achieve the fullness of personal development; the power of choice but limited by physical, biological, and social factors.

2. Cooperation -- A means of overcoming the limitations which restrict what individuals can do; the interactions between individuals and/or groups which compel changes in motives or outcomes which would not otherwise take place.

3. Communication -- A process by which information is exchanged between individuals through a common system of symbols, signs, or behavior.

4. Authority -- The willingness and capacity of individuals to submit to the necessities of cooperative systems; the character of a communication in a formal organization by virtue of which it is accepted by a contributor to or member of the organization as governing the action he contributes.

5. Decisive Process -- The essential process of organization action which continually synthesizes the elements of cooperative systems into concrete systems; the actions which are necessary in organizations to bring about a decision.

6. Dynamic Equilibrium -- The capacity of a cooperative system to maintain itself by the individual satisfactions it affords.

7. Executive Responsibility -- That capacity of leaders by which, reflecting attitudes, ideals, hopes, derived largely

from without themselves, they are compelled to bind wills of men to the accomplishment of purposes.

In reviewing these concepts of structure and dynamism, Brown (Note 1) suggests that, "it is easy to see that individuals come alive for Barnard when they engage in activity with other human beings" (p. 4). Brown further asserts, "Similarly, when the activities of two or more individuals are directed toward a mutual goal, whether consciously or unconsciously, the behavior of individuals ceases to be random and forms a cooperative system" (pp. 4-5).

Cooperative Systems

Within the cooperative system there exists several factors which directly influence its operation. These factors may be summarized as follows:

1. The connection of any "member" with an organization is necessarily intermittent, and there is frequent substitution of persons.

2. It is necessary to regard as a part of an organization certain efforts of many persons not commonly considered "members," e.g., customers, students.

3. Organization, simple or complex, is always an impersonal system of coordinated human efforts.

4. "Effectiveness" of cooperation is the accomplishment of the recognized objectives of cooperative action. The degree

of accomplishment indicates the degree of effectiveness.

5. "Efficiency" of cooperative system is its capacity to maintain itself by the individual satisfactions it affords.

With respect to factor 1, it is important to note that unless an organizational member's association with the organization is intermittent, that is, coming or going in intervals (not continuous), then the possibility for cooperation and mutual self-support is reduced. A frequent substitution of persons is needed in order to maintain cooperation between and among organizational members.

Factor 2 hinges on the recognition of the efforts of many persons not commonly considered members of an organization. For example, although the customers of a business are not usually considered as an integral part of the business structure, certainly their actions will influence the operations of the business to a significant degree.

The third factor recognizes the impersonalness of organizations. For example, few job-related tasks performed by an organization's errand boy have emotional or personal overtones for that employee. Needless to say, this fact has numerous implications for the concept of employee motivation.

Campbell et al. (1977) believe that factors 4 and 5 constitute one of Barnard's major contributions. They suggest:

> Effectiveness is system oriented and has to do with the achievement of the organization goals. Efficiency, on

> the other hand, is person oriented and has to do with the feelings of satisfaction a worker derives from membership in an organization. For the first time, the interrelationship of organization achievement and individual satisfaction was noted. (p. 93)

Obviously the absence of one or more of these five factors influencing the operation of a cooperative system can result in organizational disequilibrium--the cpposite of dynamic equilibrium as noted on page 7 of this paper. Pursuant to this, Barnard (1938) points out that:

> Efficiency or equilibrium can be secured either by changing motives in individuals (or securing substitute individuals of appropriate motives), which is operation on a social factor, or by its <u>productive</u> results which can be distributed to individuals. These productive results are either material or social, or both. As to some individuals, material is required for satisfaction; as to others, social benefits are required. As to most individuals, both material and and social benefits are required in different proportions. (p. 57)

In addition to the various factors of operation of cooperative systems, there are some very important organization components of such systems.

The Formal Organization: A Cooperative System

A cooperative system has been defined as: "a complex of physical, biological, personal, and social elements which are in a systematic relationship by reason of the cooperation of two or more persons for at least one definite end" (see p. 6 of this paper). Implicit in this definition is what is called an "organization" ("cooperation of two or more persons"). According to Barnard (1938), an organization comes into being when "there are persons able to communicate with each other who are willing to contribute action to accomplish a common purpose" (p. 82). Therefore, it can be deduced that there are three important elements of an organization: (1) willingness to cooperate, (2) common purpose, and (3) communication.

Willingness to Cooperate

This element covers several areas. First, there must be a willingness to contribute efforts to the cooperative system. Otherwise, the overall goals of the organization are thwarted.

Second, the preponderance of persons in a modern society always lies on the "negative" side with respect to any particular existing or potential organization. In this instance, Barnard does not use the term "negative" to indicate that people are against a given organization, but rather uses it to point out that they are just not involved enough to have a "positive" effect on the daily operations of the organization.

A third area of the willingness component is that the willingness of any person cannot be constant in degree. This is to say that there exists times when every person reaches a point when individual needs are at odds with the goals of the organization; therefore, there is a reduction in the willingness to participate in the processes of the organization.

The last area of the willingness component has to do with the viewpoint of the individual. To him, willingness is the joint effect of personal desires and reluctances whereas from the viewpoint of the organization, it is the joint effect of objective inducements offered and burdens imposed (see Barnard, 1938, pp. 84-86). (Barnard's concept of "incentives" will be discussed in subsequent pages as a means of securing an individual's willingness to cooperate.)

Common Purpose

According to Barnard (1938):

> Willingness to cooperate, except as a vague feeling or desire for association with others, cannot develop without an objective of cooperation. Unless there is such an objective it cannot be known or anticipated what specific efforts will be required of individuals, nor in many cases what satisfactions to them can be in prospect. Such an objective we denominate the "purpose" of an organization. (p. 86)

If an organization is to be successful, then it has to be perceived as possessing a viable objective by the individuals involved in it. Consider an objective which is stated unacceptably by management (e.g., a Board of Education and its administrative team) to labor (e.g., the teachers). It is quite likely that management's objective becomes reality in name only. Without the cooperation of all those involved in the organization (which is achieved by the recognition and acceptance of a common purpose), the organization becomes a non-cooperative entity.

Communication

In terms of this element of an organization, Barnard (1938) indicates:

> The possibility of accomplishing a common purpose and the existence of persons whose desires might constitute motives for contributing toward such a common purpose are the opposite poles of the system of cooperative effort. The process by which these potentialities become dynamic is that of communication. Obviously a common purpose must be commonly known, and to be known must be in some way communicated. (p. 89)

Believing that all organizational activity was based on communication, Barnard (1938, pp. 175-180) developed the following principles as the controlling factors in the character of the communication system as a system of objective authority:

1. The channels of communication should be definitely known. The method of doing so is by making official appointments known; by assigning each individual to his position; by general announcements; by organization charts; by educational effort, and most of all by habituation, that is, by securing as much permanence of system as is practicable.

2. Objective authority requires a definite formal channel of communication to every member of an organization. In ordinary language this means "everyone must report to someone" (communication in one direction) and "everyone must be subordinate to someone (communication in the other direction).

3. The line of communication must be as direct or short as possible. Language as a vehicle of communication is limited and susceptible of misunderstanding; therefore, it follows that organizational members must take care at each stage of the communicative process so as to avoid loss of understanding in the transmission of communiques.

4. The complete line of communication should usually be used. By this is meant that a communication from the head of an organization to the bottom should pass through every stage of the line of authority. This is due to the necessity of avoiding conflicting communications (in either direction) which might (and would) occur if there were any "jumping of the line" of organization. It also is necessary because of the need of interpretation, and to maintain responsibility.

5. The competence of the persons serving as communication centers, that is, officers, supervisory heads, must be adequate. The competence required is that of more and more general ability with reference to the work of the entire organization, the more central the office of communication and the larger the organization.

6. The line of communication should not be interrupted during the time when the organization is to function. During the times when organizations are at work, in principle the line of authority must never be broken.

7. Every communication should be authenticated. This means that the person communicating must be known actually to occupy the "position of authority" concerned--that is, it is "within its authority"; and that it actually is an authorized communication from this office.

These principles are ignored only with some difficulty. Operationally, they often go unnoticed. However, should a breakdown occur, the lack of an effective communication process becomes quite apparent to all concerned.

Organization and Incentives

Another important aspect of organizational behavior has to do with what Barnard (1938, chap. 11) calls the "economy of incentives." As was mentioned earlier, Barnard sees incentives as a means of securing an individual's willingness to cooperate.

Incentives consist of two classes: (1) specific, which can be specifically offered to the individual, and (2) general, which are not specific and cannot be directly offered.

Specific Incentives

With respect to this category or class, one finds material inducements such as payroll, bonuses, and commission; personal non-material opportunities such as personal prestige, power, and distinction; a desirable physical environment including such things as air conditioning and recreational facilities; and ideal benefactions such as a sense of adequacy, pride in workmanship, loyalty, and many others.

General Incentives

With respect to this class of incentives, Barnard includes associational attractivenss, adaption of conditions to habitual methods and attitudes, the opportunity for enlarged participation, and the condition of communion. Of these, he considered associational attractiveness as most critical. By this he meant social compatibility. Men often will not work at all, and rarely will work well, for other incentives if the social situation is unsatisfactory from their point of view. Differences of race, nation, religion, customs, and the like are frequently controlling factors. It should be apparent that a powerful incentive to the effort of most men is favorable associational conditions.

According to Barnard (1938):

If an organization is unable to afford incentives

> adequate to the personal contributions it requires it will perish unless it can by persuasion so change the desires of enough men that the incentives it can offer will be adequate. Persuasion in the broad sense . . . includes: (a) the creation of coercive conditions; (b) the rationalization of opportunity; (c) the inculcation of motives. (p. 149)

Coercion involves threats of punishment or dismissal. Barnard maintains that while coercion may be effective at times, no superior permanent system of organizational cooperation can be sustained by threats alone. Barnard (1938, p. 150) points out that "the rationalization of opportunity is a method of persuasion of much greater importance in modern times." Essentially, this involves persuading a person that it is in his best interest to work. An individual should be convinced that what he is working for is "worthwhile." Lastly, the form of persuasion that is most important according to Barnard (1938, p. 152) is the inculcation of motives; he says, "In its formal aspects this (inculcation of motives) is a process of deliberate education of the young, and propaganda for adults." Informally or indirectly it may include suggestion, example, and emulation.

The Informal Organization

Barnard's discussion of formal and informal organization is central to understanding his theory of administration. As pre-

viously noted (see p. 6), the formal organization is defined as: a system of consciously coordinated activities or forces of two or more persons. In contrast to formal organization, Barnard (1938) indicates:

> It is a matter of general observation and experience that persons are frequently in contact and interact with each other when their relationships are not a part of or governed by any formal organization. . . The characteristic of these contacts or interactions is that they occur and continue without any specific conscious joint purpose. (p. 114)

Barnard's description of the informal organization (above) differs from the definitive qualities of the formal organization in that while the formal organization is "a system of consciously coordinated activities," the informal organization is unconscious, indefinite, and rather structureless. Despite these differences, Gross (1964) points out that the two are intimately related:

> The relationship between the two forms of organization is very intimate. On the one hand, it is informal organization which gives rise to formal organization. On the other hand, once formal organizations are established, they inevitably create and require informal organizations, which not only condition them, but vitalize them. Thus, one can scarcely exist without the other. (p. 59)

Examples of informal organizations would include the following: the fourth floor employees, the coffee break crowd, the second lunch shift, and a load of elevator passengers. Such informal organizations arise out of job-related contacts. Without structure and expressed joint purpose, they help establish and maintain certain attitudes, customs, and norms.

There are instances when the informal organization operates against the purposes and/or methods of the formal organization. Nevertheless, there are positive functions attributed to informal organization by Barnard (1938). Gross (1964) cites three:

> One is 'the communication of intangible facts, opinions, suggestions, decisions that cannot pass through formal channels without raising issues calling for decisions, without dissipating dignity and objective authority, and without overloading executive positions.' The second function is to maintain cohesiveness in formal organization through regulating the willingness to serve and the stability of objective authority. The third is the maintenance of the feeling of personal integrity, of self-respect, of independent choice. This feeling may be regarded as 'a means of maintaining the personality of the individual against certain effects of formal organization which tend to disintegrate the personality.' (p. 59)

With respect to Barnard's notion of "maintenance of the feeling of personal integrity, of self-respect, of independent choice" (see Barnard, 1938, p. 122), it should be noted that he believes that individuals who cannot maintain a sense of self and a sense of ability to make choices of their own are not capable of functioning effectively in a cooperative system such as a formal organization. (Gross, in 1964, notes this to be "a far cry from those principles of Taylor's scientific management, which, if carried out, would destroy the individual's sense and reduce him to the status of a machine.")

The Role of Executives in Formal Organizations

Executive Functions

According to Barnard (1938, p. 217), there are three essential executive functions to be performed in formal organizations. They are as follows:

(1) To provide the system of communication;

(2) To promote the securing of essential efforts; and,

(3) To formulate and define purpose.

Each of these "essential executive functions" correspond to the elements of an organization as indicated on page 11 of this paper. These elements were (though not in order) as follows:

(1) communication (see pp. 13-15)

(2) willingness to cooperate (see pp. 11-12)

(3) common purpose (see pp. 12-13).

Each of Barnard's executive functions are described below:

To provide a system of communication. Barnard (1938) writes, "The need of a definite system of communication creates the first task of the organizer and is the immediate origin of executive organization" (p. 217). Pursuant to this, Barnard introduces the term "scheme of organization." With respect to the "scheme," Barnard says:

> This is the aspect of organization which receives relatively excessive formal attention because it can apparently be reduced to organization charts, specifications of duties, and descriptions of divisions of labor, etc. It rests upon or represents a coordination chiefly of the work to be done by the organization, that is, its purpose broken up into subsidiary purposes, specializations, tasks, etc. (p. 219)

In short, this part of the communication system involves the definition of organizational positions and the delineation of organizational structure.

A second part of Barnard's communication system involves what he deems as "loyalty," or "domination by the organizational personality." Barnard (1938) writes:

> This (loyalty) is (necessary) . . . because the lines of communication cannot function at all unless the

> personal contributions of executives will be present at the required positions, at the times necessary, without default for ordinary personal reasons. (p. 220)

In short, Barnard felt that it was necessary for the executive to be loyal to the organization if it (the organization) were to operate at peak efficiency.

With respect to the third part of Barnard's communication system, he notes, "The communication function of executives includes the maintenance of informal executive organization as an essential means of communication" (p. 224). Barnard points out:

> The functions of informal executive organizations are the communication of intangible facts, opinions, suggestions, suspicions, that cannot pass through formal channels without raising issues calling for decisions, ... (p. 225)

This is one of the positive functions attributed to informal organizations by Barnard as noted earlier (p. 19) in this paper by Gross (1964).

<u>To promote the securing of essential efforts</u>. With respect to this executive function, Barnard (1938) indicates:

> The work divides into two main divisions: (1) the bringing of persons into cooperative relationship with the organization; (2) the eliciting of the services after such persons have been brought into that relationship. (p. 227)

There are several ways by which the securing of essential efforts can be accomplished. Among them are the following: the maintenance of morale, the maintenance of an acceptable scheme of inducements, and maintaining schemes of deterrents, control, and training.

To formulate and define purpose. In formulating and defining purpose for the organization, the executive must realize what Barnard (1938) warns: "No single executive can under any conditions accomplish this function alone, but only that part of it which relates to his position in the executive organization" (p. 231). That is, the critical aspect of this function is the assignment of responsibility--"the delegation of objective authority." Thus Barnard states (p. 231): ". . . in one sense this function is that of the scheme of positions, the system of communication, already discussed." Perhaps more to the point it can be said that general decisions are usually delegated upward, but the responsibility for definition and more importantly action remains with the subordinate where authority for effort resides. Barnard concludes, "The formulation and definition of purpose is . . . a widely distributed function, only the more general part of which is executive" (1938, p. 233).

Aspects of Executive Activity Critical to Barnardian Theory

According to Gross (1964), "Those aspects of executive activity to which he (Barnard) gives the most attention--and perhaps for which we are most indebted to him--are leadership,

communication, decision-making, authority, and responsibility" (p. 60). Much already has been said of communication; hence, emphasis will be given to Barnard's concepts of leadership, decision-making, authority, and responsibility.

Leadership. For Barnard, leadership is a catalyst for stimulating the activities of all those who contribute to an organization. It is a function of at least three variables--the individual, the group of followers, and conditions. Gross (1964) writes: "The person who may be ideally suited for leadership in certain groups under certain conditions may be entirely unsuitable for the leadership of other groups, or of the same group under different conditions" (p. 61). Gross further notes that under stable conditions the leader must exercise the qualities of "self-restraint, deliberation and definement of technique." Instability, on the other hand, calls for "physical or moral courage, decisiveness, inventiveness, initiative, even audacity."

In discussing leadership, Barnard (1938, chap. 17) is careful to distinguish between two different uses of the word. One has leadership referring to prominence or excellence in some special field of activity; the other is "leadership" in the sense of the guidance of people in organizations. Gross (1964) maintains that the confusion over the meaning of leadership has resulted in an exaggeration of the importance of intellectual capacity in leadership. Elaborating, Gross notes:

> Actually, he (Barnard) maintains, intellectual capacity is less significant in the guidance of people than are four other basic qualities: vitality and endurance, decisiveness, persuasiveness, and the sense of responsibility. Although intellectual abilities may be an important element in leadership, they are by no means sufficient to maintain it. (pp. 60-61)

Interestingly, Gross shows how at times the intellectual abilities of executives tend to "wreck" leadership potential. He says:

> At times, they (intellectual abilities) may serve to wreck it (leadership)--for intellectuals may 'prove to be irresponsible (absent-minded, non-punctual), non-decisive (ultra-judicial, see so many sides that they can never make up their minds), non-persuasive (a little "queer," not interested in people).' (p. 61)

For Barnard, "responsible experience in leading" is the only fundamental preparation for leadership. In this sense, experience is obtained only by adaptation and learning--things that do not necessarily come automatically with the passage of time. Accordingly, few opportunities exist for general experience in leadership. Hence, we need to develop "artificial methods" of giving experience (see Gross, 1964, p. 61). For example, experience can be gained informally in "extracurricular" activities. Beyond extracurricular activities, Barnard

does not elaborate on the nature of the so-called "artificial methods."

Decision-Making. The aspect of Barnard's executive activity rendering the making of a decision involves "the end to be accomplished" and "the means to be used." "It is the deliberate adoption of means to ends which is the essence of formal organization" (Barnard, 1938, p. 186). This "deliberate adoption of means to ends . . ." results in one of two types of decisions being made by the executive; one type is personal, the other is organizational. Barnard (1938) notes:

> These two types of decisions--organization decisions and personal decisions--are chiefly to be distinguished as to process by this fact: that personal decisions cannot ordinarily be delegated to others; whereas organization decisions can often if not always be delegated. (p. 188)

Pursuant to decision-making, Barnard (1938) suggests that, "The capacity of most men to make decisions is quite narrow, although it is a capacity that may be considerably developed by training and especially by experience" (p. 190).

According to Barnard, the occasions for decision originate in three distinct fields: (1) from authoritative communications from superiors, (2) from cases referred for decision by subordinates, and (3) from cases originating in the initiative of the executive concerned.

With respect to authoritative communications from superiors, Barnard (1938) writes: "Occasions for decision are frequently furnished by instructions or by general requirements of superior authority. Such decisions relate to the interpretation, application, and distribution of instructions" (p. 190).

With respect to cases referred for decision by subordinates, Barnard suggests that these cases be called "appellate" cases. These appellate cases arise "from incapacity of subordinates, uncertainty of instructions, novelty of conditions, conflict of jurisdiction or conflicts of orders, or failure of subjective authority" (Barnard, 1938, p. 190). Barnard says, "The test of executive action is to make these decisions when they are important, or when they cannot be delegated reasonably, and to decline the others."

Referring to cases originating in the initiative of the executive concerned, Barnard (1938) writes: "The occasions of decision on the initiative of the executive are the most important test of his capacity" (p. 191). Barnard (1938, p. 194) indicates:

> The fine art of executive decision consists in not deciding questions that are not now pertinent, in not deciding prematurely, in not making decision that cannot be made effective, and in not making decisions that others should make.

Another element of decision-making for Barnard has to do with the evidences of decision. He notes:

> It is a perplexing fact that most executive decisions produce no direct evidence of themselves and that knowledge of them can only be derived from the cumulation of indirect evidence. They must largely be inferred from general results in which they are merely one factor, and from symptomatic indications of roundabout character. (1938, p. 193)

Frequently, the executive's decision is not to decide. This is a common and most important decision for the executive. Alert executives continually raise in their own minds questions for determination. As a result of his consideration, the executive may decide that the question is not pertinent; not now pertinent; pertinent now but lacking an adequate data base upon which to act; pertinent now but should or must be decided by someone else on the latter's initiative. The executive may yet decide that the question is pertinent, can be decided, will not be decided except by himself, and yet it would be better it not be decided because his competence is insufficient.

Barnard's "theory of opportunism" (1938, chap. 14) is another important consideration with respect to decision-making. This theory is implied by the fact that no action can take place except in the present, under conditions and

with the means presently available. The decision process must constitute a bridge between the past and the future but it must be anchored in the present.

According to Barnard (1938), "The analysis required for decision is in effect a search for the 'strategic factors'" (p. 202). Barnard writes:

> The limiting (strategic) factor is the one whose control, in the right form, at the right place and time, will establish a new system or set of conditions which meets the purpose (of the organization). Thus, if we wish to increase the yield of grain in a certain field and on analysis it appears that the soil lacks potash, potash may be said to be the strategic (or limiting) factor. (p. 203)

Finally, with respect to opportunism, Barnard indicates that the strategic factors of executive decision are chiefly and primarily strategic factors of organizational operation. By this he means that the executive has the power to make decisions concerning the organization and these internal decisions will ultimately have an influence on some of the external decisions in the overall society.

Authority. Authority, in this paper (see p. 7), has been defined as the character of a communication in a formal organization by virtue of which it is accepted by a contributor to or member of the organization as governing the action he

contributes. It was further stated that authority means the willingness and capacity of individuals to submit to the necessities of cooperative systems. If an individual fails to submit to the necessities of the organization by rejecting a communication (order) from his job superior, then disobediance is a denial of authority.

Barnard (1938) does suggest that:

> A person can and will accept a communication as authoritative only when four conditions simultaneously obtain: (a) he can and does understand the communication; (b) at the time of his decision, he believes that it is not inconsistent with the purpose of the organization; (c) at the time of his decision, he believes it to be compatible with his personal interest as a whole; and (d) he is able mentally and physically to comply with it. (p. 165)

Pursuant to the above, Barnard writes:

> (a) A communication that cannot be understood can have no authority. . . (b) A communication believed by the recipient to be incompatible with the purpose of the organization, as he understands it, could not be accepted. . . (c) If a communication is believed to involve a burden that destroys the net advantage of connection with the organization, there no longer would remain a net inducement to the individual to

> contribute to it. . . (d) If a person is unable to comply with an order, obviously it must be disobeyed, or, better, disregarded. (1938, pp. 165-166)

Examination of the four conditions under which "a person can and will accept a communication as authoritative" might lead one to question the possibility of cooperation within an organization given the Barnardian notion that the determination of authority lies with the subordinate individual. However, Barnard (1938, p. 167) notes that cooperation is possible because the decisions of human beings occur under two conditions: (1) orders which have been issued usually comply with the four conditions previously indicated; and (2) there exists in every individual a relatively stable "zone of indifference".

The zone of indifference, according to Barnard (1938), may be explained as follows:

> If all the orders for actions reasonably practicable be arranged in the order of their acceptability to the person affected, it may be conceived that there are a number which are clearly unacceptable, that is, which certainly will not be obeyed; there is another group somewhat more or less on the neutral line, that is, either barely acceptable or barely unacceptable; and a third group unquestionably acceptable. This last group lies within the "zone of indifference." (pp. 168-169)

According to Barnard, "The zone of indifference will be wider or narrower depending upon the degree to which the inducements exceed the burdens and sacrifices which determine the individual's adhesion to the organization" (p. 169). He further notes, "It follows that the range of orders that will be accepted will be very limited among those who are barely induced to contribute to the system" (p. 169).

Barnard's discussion of authority (1938, chap. 12) includes the identification of two types: (1) authority of position; and (2) authority of leadership (see p. 173 of The Functions). With respect to the former, authority is accepted by subordinates due to the position involved. It is felt that the occupant of a superior position has greater insight into what needs to be done. On the other hand, authority of leadership operates independent of assigned organizational position and instead is a function of an individual's superior ability.

Barnard (1938, p. 174) notes, "When the authority of leadership is combined with the authority of position, men who have an established connection with an organization generally will grant authority, accepting orders far outside the zone of indifference."

Responsibility. Executive responsibility, in this paper (see pp. 7-8), has been defined as that capacity of leaders by which, reflecting attitudes, ideals, hopes, derived largely

from without themselves, they are compelled to bind wills of men to the accomplishment of purposes. In attempting to "bind wills of men to the accomplishment of purposes," the executive must demonstrate what Barnard (1938, p. 260) terms "superiority in determination, persistence, endurance, courage; that which determines the quality of action; which often is most inferred from what is not done, from abstention; which commands respect, reverence." According to Barnard (1938), responsibility is an aspect of leadership "which gives dependability and determination to human conduct, and foresight and ideality to purpose" (p. 260).

It has been noted that the ability of men to freely work together is limited by physical, biological, and social factors (see Free Will, p. 7 of this paper). In order for the executive to overcome these limitations, he must exercise responsibility--responsibility tempered and governed by "morals." Barnard (1938) defines morals as "personal forces or propensities of a general and stable character in individuals which tend to inhibit, control, or modify inconsistent immediate specific desires, impulses, or interests, and to intensify those which are consistent with such propensities" (p. 261). When the tendency to "inhibit, control, or modify". . . is strong and stable there exists a condition of responsibility.

Barnard (1938) further explains the importance of morals with respect to responsibility in the following: "Responsibili-

ty. . . is the power of a particular private code of morals to control the conduct of the individual in the presence of strong contrary desires or impulses" (p. 263). In addition to individual codes of morality, the executive must possess organizational codes such as responsibility, loyalty, dependability, and integrity.

Lastly, with respect to responsibility, Barnard (1938) suggests that, "The creative aspect of executive responsibility is the highest exemplification of responsibility" (p. 281). He writes:

> The creative function as a whole is the essence of leadership. It is the highest test of executive responsibility because it requires for successful accomplishment that element of "conviction" that means identification of personal codes and organization codes in the view of the leader. This is the coalescence that carries "conviction" to the personnel of organization, to that informal organization underlying all formal organization that senses nothing more quickly than insincerity. (pp. 281-282)

The Theory of Chester Irving Barnard and Its Implications for Educational Administration

The contributions of Chester Barnard to understanding the complexities of organizational and administrative behavior are many. It is certainly apparent to many educators that the

thinking of Barnard is applicable to the administration of educational organizations. Among the more important contributions of Barnard's work to educators follow:

1. Schools are complex formal organizations which by necessity are cooperative systems if they are to obtain a common goal--the education of human beings.

2. School administrators would do well to recognize the existence of informal organizations within the school or school system. Failure to do so robs the administrator of a potential source of support.

3. It is important that the school or school system maintain equilibrium. The inability to adapt to changes may endanger the accomplishment of the goal(s) of the educational organization. An administrator cannot and should not operate a school or system in a vacuum.

4. School administrators should recognize teachers, paraprofessionals, and other school-related personnel as individuals gaining and considering their inputs into the decision-making process. The use of "incentives" is important here. Teachers et al. want to derive a degree of satisfaction and respect from their work.

5. Communication lines between school administrators and their connected constituents (teachers, parents, students, community-at-large) should be kept open, simple, and understood by everyone. Fewer misunderstandings should result.

6. Educational administrators should be aware of the nature of authority within the cooperative organization. In order for their communications (orders) to be accepted by school personnel, it is imperative that the subordinates receiving the communication(s) accept it. This will take place only in light of the four conditions discussed earlier in this paper (see pp. 30-31). In short, the administrator would do well to recognize that the determination of authority lies with the subordinate employee. Coercion can maintain a sound educational program for only a short while.

7. Educational administrators must function within the framework of personal and organizational morality if they are to exercise responsible executive behavior within the formal organization.

Conclusion

The work of Chester Irving Barnard is truly a classic on organization and administration. Topics explored by Barnard are not that well understood even today; however, what understanding that presently exists is due in a most measurable way to the genius of this one man. If there is a shortcoming to the efforts of Barnard it is in style and abstractness of presentation; otherwise, the reader of The Functions of the Executive cannot help but broaden his horizons.

Reference Note

1. Brown, D. W. The theories of Chester Barnard. Paper presented to Dr. E. H. Bedenbaugh, Jr., of the University of Southern Mississippi, Hattiesburg, Mississippi, January 1980.

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